



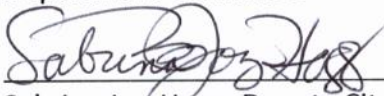
# City of NORFOLK

To the Honorable Council  
City of Norfolk, Virginia

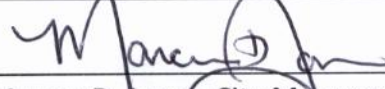
February 23, 2016

From: Christine Garczynski, Director  
Department of Finance

**Subject:** Series 2016 Wastewater  
System Revenue Bond Issuance

Reviewed:   
Sabrina Joy-Hogg, Deputy City Manager

**Ward/Superward:** Citywide

Approved:   
Marcus D. Jones, City Manager

**Item Number:**

**PH-7**

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description**

This agenda item is an ordinance authorizing the issuance of a Wastewater System Revenue Bond of up to \$8,000,000 for partial funding of the cashflow needs of the previously approved Wastewater Utility Fund Capital Improvement Program. A public hearing is required prior to City Council authorizing the issuance of such a bond.

IV. **Analysis**

This is the twelfth (12<sup>th</sup>) year the city has utilized Virginia's Water Facilities Revolving Fund (the "Fund"). This Fund has proven to be cost effective, in that the interest rate is subsidized by the Federal and State governments. The planned issuance of up to \$8,000,000 including issuance costs, will be based on terms and conditions of a Loan Agreement entered into with the Virginia Resources Authority (financial administrator of the Water Facilities Revolving Fund). The city utilizes the maximum funding amount available through this program for projects that meet the eligibility requirements.

V. **Financial Impact**

Based on the issue size, the Virginia Department of Environmental Quality (the "VDEQ") (Program Administrator for the Fund) has authorized an interest-free loan to the city.

VI. **Environmental**

Proceeds from the bond issuance will fund construction of several projects under the city's Consent Order with the VDEQ.

**VII. Community Outreach/Notification**

Public notification for this agenda item was conducted through the city's agenda notification process.

**VIII. Board/Commission Action**

The Bond Commission approved this plan of finance at the meeting held on November 3, 2014.

**IX. Coordination/Outreach**

This letter and ordinance have been coordinated with the Department of Finance, Department of Utilities and the City Attorney's Office.

02/04/16 lds

Form and Correctness Approved: *RAP*

By *[Signature]*  
Office of the City Attorney

Contents Approved:

By *[Signature]*  
DEPT.

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

\$ N/A N/A  
*[Signature]* *[Signature]*  
Director of Finance Account  
Date 2/12/16

NORFOLK, VIRGINIA

## ORDINANCE No.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND  
SALE BY THE CITY OF NORFOLK, VIRGINIA,  
WASTEWATER SYSTEM REVENUE BONDS

- - -

WHEREAS, the Council (the "Council") of the City of Norfolk, Virginia (the "City"), has determined that it is necessary to finance, with respect to the City's wastewater system (the "System"), certain costs of capital improvements for which bond proceeds have been appropriated pursuant to the City's Capital Improvement Plan, as the Council may amend it from time to time hereafter and that it is advisable to borrow up to \$8,000,000 and to issue wastewater system revenue bonds of the City (the "Bonds") to provide funds to finance (i) the costs of acquiring, constructing and equipping the particular System capital projects in the below-defined Financing Agreements (collectively, the "Project") and (ii) the costs of issuance related to the financing;



WHEREAS, the Council has determined to sell the Bonds to or at the direction of the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund ("VRA"), pursuant to the terms of one or more Financing Agreements (each a "Financing Agreement") between the City and VRA, the most recent drafts of which are on file with the Director of Finance of the City (the "Director of Finance"); and

WHEREAS, the Council has held a public hearing on February 23, 2016, regarding the issuance of the Bonds in accordance with the requirements of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Virginia Code").

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Council hereby determines that it is advisable and will benefit the inhabitants of the City through the promotion of their safety, health, welfare and prosperity to contract a debt and to issue and sell the Bonds in an original aggregate principal amount not to exceed \$8,000,000. The Council hereby authorizes the issuance and sale of the Bonds in one or more series from time to time in accordance with the terms of this Ordinance. Each series of the Bonds shall be styled "City of Norfolk, Virginia, Wastewater System Revenue Bond" with an appropriate series designation. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Project and the costs of issuance related to the financing.

Section 2:- That the Bonds shall be limited obligations of the City and, except to the extent payable from the proceeds of the sale of the Bonds or the income, if any, derived from the investment thereof, are payable exclusively from the Revenues (as defined in any Financing Agreement) of the System which the City hereby pledges to the payment of the principal of the Bonds and other amounts payable under the applicable Financing Agreement pursuant to the terms of such Financing Agreement.

Section 3:- That each Bond shall be issued as a single bond in fully registered form and shall be dated the date of its issuance and delivery or such other date as required by VRA. The City Manager of the City (the "City Manager") in consultation with the Director of Finance, is hereby authorized and directed to determine and approve all of the other final details of each Bond, including without limitation, the maximum principal amount authorized to be advanced thereunder, the interest rate, the maturity or payment dates and amounts, final series designation and the final maturity date; provided that (i) the maximum aggregate principal amount authorized to be advanced under the Bonds shall not exceed the amount set forth in Section 1, (ii) the Bonds shall not bear interest, (iii) the Bonds shall have a substantially level maturity or payment schedule from and after the date on which the first payment of principal is due thereunder and (iv) the final maturity date of the Bonds shall be no later than December 31, 2038.

Section 4:- That each Bond shall be in substantially the form attached to the respective Financing Agreement, then on file with the Director of Finance, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on each Bond such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 5:- That the City Manager and the Director of Finance are hereby authorized and directed to approve such optional redemption provisions with respect to each series of the Bonds as either may deem



advisable, including provisions that preclude any series of the Bonds from optional redemption.

Section 6:- That the Mayor of the City (the "Mayor") and the City Manager are hereby authorized and directed to execute the Bonds. The Clerk of the Council (the "Clerk") is hereby authorized and directed to affix the seal of the City to each series of the Bonds and to attest to the seal. The manner of execution, attestation to and affixation of the seal may be by facsimile; provided, however, that if the signatures of the Mayor, the City Manager and the Clerk are all by facsimile, the Bonds will not be valid until signed at the foot thereof by the manual signature of the Bond Registrar. The City Manager's approval or determination of the details and provisions of the Bonds that the City Manager has been authorized or directed to approve under this Ordinance shall be evidenced conclusively by the City Manager's execution and delivery of the Bonds on the City's behalf.

Section 7:- That the Council hereby appoints the Director of Finance as the Bond Registrar and Paying Agent for the Bonds.

Section 8:- That the City Manager is hereby authorized to appoint a subsequent Bond Registrar or one or more Paying Agents, or both, for any Bonds and upon giving written notice to the registered owners of the affected Bonds that specifies the name and location of the principal office of any such subsequent Bond Registrar or Paying Agent.

Section 9:- That upon surrender for transfer or exchange of any Bond (or any printed bond issued in substitution therefor) at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the registered owner or the transferee or transferees, as appropriate, a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same series, form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the Council and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written

instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond shall be registered to bearer.

Section 10:- That new Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 11:- That no charge shall be made for any exchange or transfer of Bonds, but the Bond Registrar may require payment by the person requesting the exchange or transfer of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the exchange or transfer of such Bonds.

Section 12:- That the Council hereby approves each Financing Agreement in substantially the form on file with the Director of Finance, with such changes, insertions or omissions as may be approved by the City Manager, whose approval shall be evidenced conclusively by the execution and delivery of each Financing Agreement on the City's behalf, and the City Manager or the Director of Finance is hereby authorized to complete each Financing Agreement with the final terms, subject to the parameters set forth in Section 1 and Section 3. The City Manager is hereby authorized to execute and deliver each Financing Agreement and such other documents and certificates as such officer may consider necessary in connection therewith. The City Manager and the Director of Finance are each hereby appointed as Authorized Representatives (as defined in each Financing Agreement) for purposes of each Financing Agreement. Furthermore, the City Manager is hereby authorized to designate additional Authorized Representatives for the purposes of each Financing Agreement.

Section 13:- That the City Manager, the Director of Finance and such other officers and agents of the City as the City Manager or the Director of



Finance may designate, are hereby authorized and directed to take further action as each deems necessary or appropriate regarding the issuance and sale of the Bonds, including the execution and delivery of a commitment letter and other instruments, agreements and documents related to the issuance and sale of any series of the Bonds. The authorizations granted in this Ordinance to the Mayor, the Clerk, the City Manager and the Director of Finance may be carried out by the Vice Mayor, the Chief Deputy or Deputy City Clerk, any Acting, Deputy or Assistant City Manager or any Acting, Interim or Assistant Director of Finance, as appropriate, in the absence of the primary officer.

Section 14:- That the officers and agents of the City are hereby authorized and directed to take such further actions as each deems necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are hereby ratified and confirmed.

Section 15:- That the appropriate officers or agents of the City are hereby authorized and directed to file a certified copy of this Ordinance with the Circuit Court of the City pursuant to Sections 15.2-2607 and 15.2-2627 of the Virginia Code.

Section 16:- That the Council hereby elects pursuant to Section 15.2-2601 of the Virginia Code to issue the Bonds under the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Virginia Code without regard to the requirements, restrictions or other provisions contained in the Charter of the City.

Section 17:- That this Ordinance shall take effect from and after its adoption.